

## Year-end report 2009

### Further growth and improvement in profits

#### Twelve-month financial summary

- Net turnover increased by 20 % to SEK 1 253 (1 044) million
- Profit before tax increased by 20 % to SEK 60.1 (50.1) million
- Profit before tax amounted to SEK 52.4 (38.7) million.
- Earnings per share amounted to SEK 5.22 (3.68)
- Return on equity amounted to 30.7 (24.4) %.
- The Board of Directors proposes that the Annual General Meeting should elect to pay a dividend of SEK 1.35 (1.20) per share.

#### The fourth quarter in brief

- Net turnover increased by 13 % to SEK 385 (340) million
- Profit before tax increased by 26 % to SEK 24.1 (19.1) million
- Profit before tax amounted to SEK 23.0 (13.5) million.
- Earnings per share amounted to SEK 2.38 (1.37)

#### Report by Olof Sand, Chief Executive Officer of Proact

2009 ended very strongly. Proact is reporting a profit of SEK 60.1 (50.1) million before tax for the full year, and SEK 24.1 (19.1) million before tax for the fourth quarter. This is the best result ever reported by Proact. This result means that Proact has reported better results before tax for 20 quarters in a row than in the corresponding quarter for the previous year. Growth for the full year 2009 amounted to 20 %, and for the fourth quarter 13 %.

According to survey company IDC, the market for storage and archiving in the countries in which Proact is active contracted by 1 % in 2009. Despite this, Proact is reporting strong growth and its best result ever. This is because Proact is able to meet clients' needs for cost reductions and technical streamlining for handling stored digital information. The company also has every opportunity of being able to increase its market shares in the future as well.

Contracted services are demonstrating good growth. Around one-third of total income comes from this field, which comprises services for support, operation and finance. As a rule, agreements extend over three years and provide a good income base in times of economic downturn or upswing.

The Netherlands is showing a positive result in its second year of trading. The company started in early 2008 as what is known as a green-field.

The Group employed 328 people at the end of the quarter, 7 more than for the same period last year.

---

#### About Proact

Proact is a specialist in storage, archiving and securing large volumes of mission-critical information. As an independent integrator, Proact provides systems, support and consulting services within our focus area of data storage and archiving.

The Proact Group has more than 300 employees and conducts business in Denmark, Estonia, Finland, Latvia, Lithuania, The Netherlands, Norway and Sweden. Proact was founded in 1994 and its parent company, Proact IT Group AB (publ) has been listed on Nasdaq OMX Stockholm since 1999 under the symbol PACT.

Additional information about Proact is available at [www.proact.eu](http://www.proact.eu).



## FINANCIAL OVERVIEW

### Market

It is no exaggeration to say that digital business information is one of the most important assets to today's companies. Information growth is continuing unabated, the greatest growth over the past year being seen in respect of e-mail, followed by growth in respect of file servers and databases. The most common ways of dealing with increasing information volumes are to quickly buy more disk space and delete excess information.

There are still a lot of companies and organisations that have not made the requisite investments in archive solutions for digital information. This is evident from an independent survey of 100 listed companies and authorities which was carried out on behalf of Proact in December 2009. According to the survey, 45 % of companies reckon that if their most important business-critical systems were to crash, it would take at least one day or more to completely restore them.

The fact that so few have an IT-based archive solution to protect their information and guarantee access to it, plus the fact that restore times would be so long in the event of a crash, are evidence of the major potential offered in Proact's specialist fields of storage and archiving. In its role as an independent integrator, Proact has established processes, methods and procedures concerning these fields. This means that there is major potential for growth for the company as a supplier of both services and systems.

Over the twelve-month period, the company's turnover amounted to SEK 1 253 (1 044) million, representing an increase of 20 %. Growth adjusted for currency effects amounted to 13 %. Net sales increased for all countries except Latvia in 2009.

This growth in net sales is due mainly to clients in the fields of telecoms, banking/finance and the public sector.

Turnover per geographic area	Jan-Dec 2009	Jan-Dec 2008
Sweden	516.7	431.5
Norway	275.7	254.4
Finland	216.9	190.8
Denmark	130.0	96.9
Lithuania	70.8	43.0
The Netherlands	53.8	18.7
Latvia	15.5	20.2
Estonia	7.0	2.8
Intra-Group trading	-33.7	-14.1
Turnover	1 252.7	1 044.2

Proact's turnover over the fourth quarter amounted to SEK 385 (340) million, representing growth of 13 %. Growth adjusted for currency effects amounted to 11 %.

Turnover per geographic area	Oct – Dec 2009	Oct – Dec 2008
Sweden	162.7	137.9
Norway	78.1	89.8
Finland	70.3	65.8
Denmark	48.3	24.7
The Netherlands	19.7	5.2
Lithuania	13.6	10.9
Latvia	3.9	6.5
Estonia	2.6	2.7
Intra-Group trading	-14.0	-4.0
Turnover	385.2	339.5

Of the total turnover for the year, system sales amounted to SEK 803 (642) million, representing an increase of 25 %.

Turnover for service operations amounted to SEK 447 (400) million over the year, representing an increase of 12 % compared with the previous year.

Turnover per operating segment	Jan-Dec 2009	Jan-Dec 2008
System Sales	802.9	642.0
Service operations	447.2	400.0
Other income	2.6	2.2
Turnover	1 252.7	1 044.2

System sales over the fourth quarter amounted to SEK 264 (224) million, an increase of 18 %. Turnover for service operations amounted to SEK 121 (115) million, representing an increase of 6 % compared with the previous year.

Turnover per operating segment	Oct – Dec 2009	Oct – Dec 2008
System Sales	263.7	224.4
Service operations	120.9	114.5
Other income	0.6	0.6
Turnover	385.2	339.5

### Major events in the fourth quarter:

A number of major deals have been agreed with companies such as NetDesign and Trafik-selskabet Movia in Denmark, Aalto University and DNA in Finland, the Ministry of Internal Affairs in Estonia, Rietumu Banka in Latvia, Rural Development and Agriculture Information



Center in Lithuania, D-reizen in the Netherlands, Det Norske Veritas, MI Swaco and Telenor in Norway, and Gunnar Dafgård, CSC, Södermanland County Council and Axfood in Sweden.

### Important events in the fourth quarter

- Supply of a new platform for storage and backup to Alfa Laval

This new solution will allow Alfa Laval to free up storage capacity and enhance performance in its virtualised server environment. The total value of the order is over SEK 3 million. Alfa Laval wanted to streamline its backup process as the old solution was too slow, and too onerous to manage. The backup and restore times now are extremely short. "Apart from the fact that the entire storage environment is more secure and that lead times have been reduced to a minimum, it is considerably simpler for our IT staff to manage the environment now," says Magnus Nelson, the man responsible for the IT infrastructure at Alfa Laval.

- Increased storage capacity at Cybercom

This new solution means a considerable increase in storage capacity and performance for IT consultancy Cybercom's systems operation and management business. Cybercom's managed hosting unit - that is, operation, maintenance and management of systems - needed to upgrade its disk-based storage systems. At the same time, the company wanted to improve performance and prepare for the ever-increasing demand for services. The new solution from Proact also means that the foundation has been laid for efficient future backup functions. This solution is being financed by Proact Finance, which customises flexible finance solutions for Proact clients. This deal is running for three years and includes hardware and software, licences and support, installation and engineer training.

- Extension of European support agreement

Further confidence in Proact has been demonstrated with the extension of an existing support agreement with an international supplier of outsourcing services. The deal is worth at least SEK 13 million. Proact holds overall responsibility for support for one of the biggest clients of this outsourcing supplier, a leading organisation in the telecoms industry. This commission in-

volves 24-hour support of IT systems for storage, backup and archiving and is applicable to both hardware and software, as well as consultancy services. This support agreement covers the client company's operations in 15 European countries. Besides providing support, Proact is also contributing to the streamlining and development of operations.

### Results

Profit before tax amounted to SEK 60.1 (50.1) million for the 2009 accounting year.

The results for Sweden are good despite the fact that the market for consultancy services has been under a lot of pressure over the year. In the autumn, the Swedish profit was affected by staff-related non-recurring items amounting to SEK -2.7 million.

The positive earnings performance in Norway can be linked mainly with good system and support sales. This year's results also include a non-recurring item of SEK +3.4 million, attributable to the dispersion of pension commitments.

Investments in the sales organisations in Finland and Denmark have paid off over the second six months of 2009.

The earnings performance in Lithuania can be linked primarily with a number of strategically important deals with a major Nordic bank.

Business in the Netherlands is showing a positive result in its second year of trading.

The earnings performance in Estonia and Latvia has been affected over the entire year by the exceptionally low levels of economic activity in these countries.

Operating profit per geographic area	Jan-Dec 2009	Jan-Dec 2008
Sweden	26.9	25.4
Norway	22.9	14.0
Finland	8.9	7.4
Lithuania	7.6	4.9
Denmark	2.6	1.9
Latvia	1.2	1.5
The Netherlands	0.8	-3.5
Estonia	-2.6	-0.8
Elimination	-8.3	-4.0
Operating profit	60.0	46.8
Net interest income/expense	0.1	3.3
Pre-tax profit	60.1	50.1



During the fourth quarter, profit before tax amounted to SEK 24.1 (19.1) million.

Operating profit per geographic area	Oct – Dec 2009	Oct – Dec 2008
Sweden	10.6	7.1
Norway	5.9	4.5
Finland	5.6	3.2
Denmark	2.5	0.3
The Netherlands	1.8	0.4
Lithuania	1.2	0.5
Latvia	0.2	0.3
Estonia	-0.3	0.0
Elimination	-3.8	-0.5
Operating profit	23.7	15.8
Net interest in- come/expense	0.4	3.3
Pre-tax profit	24.1	19.1

## Balance sheet and cash flow

Cash and equivalents amounted to SEK 97.4 million at 31.12.2009, and should be augmented with an unused committed credit line of SEK 42.0 million.

The company has an interest-bearing liability of SEK 6 million, attributable to the company's financial operations. The loan was subscribed to in the fourth quarter of 2009.

The cash flow amounted to SEK 11.0 million over the year. The cash flow includes the buy-back of own shares and dividends of a total of SEK 34.3 million. Investments in tangible fixed assets over the quarter amounted to SEK 22.5 (11.5) million. The increase in investments in property, plant and equipment compared with last year is due largely to the wholly owned company Proact Finance AB, newly started over the year. Operating activities have contributed SEK 62.8 million.

The cash flow for the fourth quarter was SEK 14.5 million. The cash flow includes buy-back of own shares amounting to SEK 16.7 million, plus investments in tangible fixed assets amounting to SEK 7.9 (3.6) million. Operating activities have contributed SEK 33.1 million.

The Group's equity ratio at the end of the period was 24 % (25 %).

## Buy-back of own shares

At the Annual General Meeting held on 13 May 2009, the Board of Directors was authorised to acquire up to 10 % of the company's shares by the next Annual General Meeting.

Up to 31 December 2009,

333 000 shares – equivalent to 3.4 % of the total number of outstanding shares – were acquired at an average price of SEK 63.38.

## Employees

The average number of employees over the twelve-month period amounted to 315 (299), and 316 (312) over the fourth quarter.

On 31 December, the company employed 328 (321) people.

## The Parent Company in brief

The Parent Company's revenues for the year amounted to SEK 33.6 (26.6) million and to SEK 10.1 (7.7) million for the fourth quarter.

The profit before tax for the year amounted to SEK 28.4 (36.8) million, and to SEK 9.9 (7.4) million for the fourth quarter. This result is largely due to dividends received from subsidiaries.

The Parent Company's liabilities in a joint group currency account amounted to SEK -36.1 (-24.2) million as at 31 December. Investments in the buy-back of own shares over the twelve months of the year amounted to SEK 21.2 (25.9) million, and SEK 16.7 (7.3) million over the fourth quarter.

At the end of the period, the number of persons employed by the Parent Company totalled 5 (5).

## Events after the balance sheet date

There have been no significant events.

## Proposed distribution of earnings

The Board will propose a dividend of SEK 1.35 (1.20) per share to the Annual General Meeting for the 2009 business year.

## Risks and uncertainty factors in business

The company has managed to handle the financial crisis in 2009 effectively. However, what effects the economic downturn will have on the company's clients and suppliers in 2010 is unclear.

The operational risks are that demand for the



company's products and services will fall, and that the time from tender to order will increase due to caution among clients when making investments. Price pressure in the field of service operations is another risk significant to Proact.

The financial risks include currency risk, credit risk, interest risk and liquidity risk. At Proact, the currency risk is the most significant of the above financial risks.

For a more detailed description of significant risks and uncertainty factors, please see Proact's annual report for 2008, page 15.

## OTHER INFORMATION

This year-end report has not been audited.

### Forthcoming reports

28 Apr 2010	Interim report, Q1 2010
18 May 2010	Annual General Meeting
12 July 2010	Half-yearly report 2010
20 Oct 2010	Interim report, Q3 2010
16 Feb 2011	Year-end report 2010

### Annual General Meeting

The Annual General Meeting will take place at 6 pm on 18.05.2010 at the company's offices in Kista.

The work of the Nominations Committee prior to the Annual General Meeting has not yet been completed.

For further information, please see the company's website at [www.proact.se](http://www.proact.se)

*For more information, please contact:*

Olof Sand, CEO	Telephone: +46 (0) 8 410 666 82,	e-mail: <a href="mailto:olof.sand@proact.se">olof.sand@proact.se</a>
Hans Åkerlund, IR	Telephone: 08-410 667 50	e-mail: <a href="mailto:hans.akerlund@proact.se">hans.akerlund@proact.se</a>
Jonas Persson, CFO	Telephone: 08-410 666 90	e-mail: <a href="mailto:jonas.persson@proact.se">jonas.persson@proact.se</a>

The information in this interim report is such information as Proact IT Group (Publ) shall publish in accordance with *lagen om värdepappersmarknad*, the Securities Market Act, and/or *lagen om handel med finansiella instrument*, the Act on Trading in Financial Instruments. This information was submitted for publication at 14:00:00 (CET) on 15.02.2010.

Kista, 15.02.2010

**Proact IT Group AB (publ)**

Olof Sand  
CEO



## FINANCIAL REPORTS (SEK m)

### Report on total profit or loss for the Group

	Note	3 months Oct – Dec 2009	3 months Oct – Dec 2008	12 months Jan-Dec 2009	12 months Jan-Dec 2008
System income		263.7	224.4	802.9	642.0
Service income		120.9	114.5	447.2	400.0
Other income		0.6	0.6	2.6	2.2
<b>Net turnover</b>	3	<b>385.2</b>	<b>339.5</b>	<b>1 252.7</b>	<b>1 044.2</b>
<b>Cost of goods and services sold</b>		<b>-285.8</b>	<b>-252.0</b>	<b>-925.8</b>	<b>-758.9</b>
<b>Gross profit</b>		<b>99.4</b>	<b>87.5</b>	<b>326.9</b>	<b>285.3</b>
Sales and marketing expenses		-47.0	-45.6	-161.8	-145.1
Administrative expenses		-28.7	-26.1	-105.1	-93.4
<b>Operating profit</b>	4	<b>23.7</b>	<b>15.8</b>	<b>60.0</b>	<b>46.8</b>
Net interest income/expense		0.4	3.3	0.1	3.3
<b>Pre-tax profit</b>		<b>24.1</b>	<b>19.1</b>	<b>60.1</b>	<b>50.1</b>
Corporate income tax	5	-1.1	-5.6	-7.7	-11.4
<b>Profit for the period</b>	6	<b>23.0</b>	<b>13.5</b>	<b>52.4</b>	<b>38.7</b>
Other total profit or loss	2				
Translation differences		2.4	2.8	2.5	3.6
<b>Total profit or loss for the period</b>		<b>25.4</b>	<b>16.3</b>	<b>54.9</b>	<b>42.3</b>
Profit for the period attributable to:					
Parent company shareholders		22.6	13.4	50.5	37.4
Minority interests		0.4	0.1	1.9	1.3
Total profit for the period attributable to:					
Parent company shareholders		25.2	15.9	53.3	40.5
Minority interests		0.2	0.4	1.6	1.8

### Data per share

	3 months Oct – Dec 2009	3 months Oct – Dec 2008	12 months Jan-Dec 2009	12 months Jan-Dec 2008
Profit per share for the period pertaining to the Parent Company's shareholders, SEK	2.38	1.37	5.22	3.68
Equity per share, SEK	18.81	16.07	18.81	16.07
Cash flow from current operations per share, SEK	3.47	2.67	6.49	7.86
Number of shares at the end of the period excluding bought-back shares, units	9 401 886	9 736 586	9 401 886	9 736 586
Weighted average number of shares excluding bought-back shares, units	9 525 542	9 798 773	9 675 410	10 163 221

Proact has not issued any share options or conversion rights which could give rise to dilution.



## Key ratios

	3 months Oct – Dec 2009	3 months Oct – Dec 2008	12 months Jan-Dec 2009	12 months Jan-Dec 2008
Operating margin (EBIT) %	6.2	4.7	4.8	4.5
Net margin %	6.3	5.6	4.8	4.8
Profit margin, %	6.0	4.0	4.2	3.7
Equity ratio, %	24.1	24.8	24.1	24.8
Capital turnover rate, times	0.6	0.6	1.8	1.8
Return on equity, %	13.1	8.7	30.7	24.4
Return on capital employed, %	13.5	12.8	35.4	32.4
Investments in property, plant and equipment, SEK millions	7.9	3.6	22.5	11.5
Profit or loss before tax per employee, SEK thousands	76	61	191	168
Average number of employees on annual basis	316	312	315	299

For a five-year review, see Note 9.

Definitions of key ratios and figures are set out in the Annual Report for 2008 and Note 10.

## Consolidated Balance Sheet

	Note	2009 31 Dec	2009 30 Sep	2008 31 Dec
<b>ASSETS</b>				
<u>Fixed assets</u>				
Goodwill		77.4	76.4	75.3
Other intangible non-current assets	4	21.7	22.7	24.6
Tangible fixed assets	4	26.9	22.5	15.7
Other loans		7.6	6.4	6.4
Deferred tax receivables	5	33.5	30.9	30.7
<u>Current assets</u>				
Stocks		7.3	7.5	8.4
Trade and other receivables		479.0	317.5	398.7
Liquid assets		97.4	81.2	84.5
<b>Total assets</b>		<b>750.8</b>	<b>565.1</b>	<b>644.3</b>
<b>EQUITY AND LIABILITIES</b>				
Equity attributable to Parent Company shareholders		176.8	168.4	156.4
Equity pertaining to the minority		3.8	3.6	3.6
<b>Total shareholders' equity</b>		<b>180.6</b>	<b>172.0</b>	<b>160.0</b>
<u>Long-term liabilities</u>				
Provisions for pensions		-	2.1	1.9
Other long-term liabilities		8.5	2.8	3.5
Deferred tax liabilities	5	6.5	5.8	6.6
<u>Current liabilities</u>				
Current non-interest-bearing liabilities		555.2	382.4	472.3
<b>Total equity and liabilities</b>		<b>750.8</b>	<b>565.1</b>	<b>644.3</b>





## Consolidated Cash Flow Statement

(summary)

	3 months Oct – Dec 2009	3 months Oct – Dec 2008	12 months Jan-Dec 2009	12 months Jan-Dec 2008
<b>Profit for the period</b>	<b>23.0</b>	<b>13.5</b>	<b>52.4</b>	<b>38.7</b>
Adjustment for items not included in cash flow:				
Depreciations and write-downs, fixed assets	4.9	3.7	16.7	12.8
Other adjustments	-6.6	-0.7	-3.5	2.6
<b>Cash flow before changes in working capital</b>	<b>21.3</b>	<b>16.5</b>	<b>65.6</b>	<b>54.1</b>
Change in working capital	11.8	9.7	-2.8	25.7
<b>Total operational cash flow</b>	<b>33.1</b>	<b>26.2</b>	<b>62.8</b>	<b>79.8</b>
Acquisitions from operations	-	-	-0.9	-14.6
Capital expenditure on tangible fixed assets	-7.9	-3.6	-22.5	-11.5
Other cash flow from investment activities	-	0.1	-0.1	0.3
<b>Total cash flow from investment activities</b>	<b>-7.9</b>	<b>-3.5</b>	<b>-23.5</b>	<b>-25.8</b>
Dividend	-	-	-11.7	-12.3
Dividend to minority shareholders	-	-	-1.4	-1.7
Buy-back of own shares	-16.7	-7.3	-21.2	-25.9
Loans taken up	6.0	-	6.0	-
Other cash flow from financing activities	-	-	-	0.2
<b>Total cash flow from financing activities</b>	<b>-10.7</b>	<b>-7.3</b>	<b>-28.3</b>	<b>-39.7</b>
<b>Changes in cash and cash equivalents</b>	<b>14.5</b>	<b>15.4</b>	<b>11.0</b>	<b>14.3</b>
Cash and equivalents at beginning of the period	81.2	66.6	84.5	67.0
Exchange rate differences in cash and cash equivalents	1.7	2.5	1.9	3.2
<b>Liquid assets at the end of the accounting period</b>	<b>97.4</b>	<b>84.5</b>	<b>97.4</b>	<b>84.5</b>

## Consolidated Statement of Changes in Equity

	Pertaining to the Parent Company's shareholders					Pertaining to the minority	Total shareholders' equity
	Share capital	Other capital contributed	Translation of foreign subsidiaries	Loss brought forward incl. year's total result	Total		
<b>1 January 2009</b>	<b>10.6</b>	<b>297.9</b>	<b>4.0</b>	<b>-156.1</b>	<b>156.4</b>	<b>3.6</b>	<b>160.0</b>
<b>Total result for the period</b>			2.8	50.5	53.3	1.6	54.9
<b>Reduction of share capital</b>	-0.5			0.5	-		-
<b>Bonus issue</b>	0.5			-0.5	-		-
<b>Dividend</b>				-11.7	-11.7		-11.7
<b>Dividend to minority interests</b>						-1.4	-1.4
<b>Buy-back of own shares **</b>				-21.2	-21.2		-21.2
<b>31 December 2009</b>	<b>10.6</b>	<b>297.9</b>	<b>6.8</b>	<b>-138.5</b>	<b>176.8</b>	<b>3.8</b>	<b>180.6</b>

Minority interests: Proact Latvia Ltd, 15 %, Proact Lietuva UAB, Lithuania 26.14 %, Proact Netherlands B.V. 49 %, and Proact Estonia AS 30 %. \*\* including buy-back costs of SEK 32 thousand





	Pertaining to the Parent Company's shareholders					Pertaining to the minority	Total shareholders' equity
	Share capital	Other capital contributed	Translation of foreign subsidiaries	Loss brought forward incl. year's total result	Total		
<b>1 January 2008</b>	<b>10.6</b>	<b>297.9</b>	<b>0.9</b>	<b>-155.3</b>	<b>154.1</b>	<b>3.8</b>	<b>157.9</b>
<b>Total result for the period</b>			3.1	37.4	40.5	1.8	42.3
<b>Reduction of share capital</b>	-0.4			0.4	-		-
<b>Bonus issue</b>	0.4			-0.4	-		-
<b>Dividend</b>				-12.3	-12.3		-12.3
<b>Acquisition of minority interests</b>						-0.3	-0.3
<b>Dividend to minority interests</b>						-1.7	-1.7
<b>Buy-back of own shares **</b>				-25.9	-25.9		-25.9
<b>31 December 2008</b>	<b>10.6</b>	<b>297.9</b>	<b>4.0</b>	<b>-156.1</b>	<b>156.4</b>	<b>3.6</b>	<b>160.0</b>

Minority interests: Proact Latvia Ltd, Latvia 15 %, Proact Lietuva UAB, Lithuania 26.14 %, Proact Netherlands B.V. 49 % and Proact Estonia AS 30 %. \*\* including buy-back costs of SEK 43 thousand

## Income statement for the parent company

	3 months Oct – Dec 2009	3 months Oct – Dec 2008	12 months Jan-Dec 2009	12 months Jan-Dec 2008
<b>Net turnover</b>	<b>10.1</b>	<b>7.7</b>	<b>33.6</b>	<b>26.6</b>
<b>Cost of goods and services sold</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gross profit</b>	<b>10.1</b>	<b>7.7</b>	<b>33.6</b>	<b>26.6</b>
Administrative expenses	-12.1	-7.6	-37.8	-29.9
<b>Operating profit</b>	<b>-2.0</b>	<b>0.1</b>	<b>-4.2</b>	<b>-3.3</b>
Net interest income/expense	11.9	7.3	32.6	40.1
<b>Pre-tax profit</b>	<b>9.9</b>	<b>7.4</b>	<b>28.4</b>	<b>36.8</b>
Corporate income tax	8.4	-	8.4	-1.0
<b>Profit for the period</b>	<b>18.3</b>	<b>7.4</b>	<b>36.8</b>	<b>35.8</b>



**Balance sheet for the parent company**

	<b>2009 31 Dec</b>	<b>2009 30 Sep</b>	<b>2008 31 Dec</b>
<b>ASSETS</b>			
<u>Fixed assets</u>			
Shares in Group companies	148.5	148.5	147.1
Deferred tax receivables	8.4	-	-
Debtors	5.1	5.1	5.0
<u>Current assets</u>			
Trade and other receivables	22.1	22.5	16.3
<b>Total assets</b>	<b>184.1</b>	<b>176.1</b>	<b>168.4</b>
<b>EQUITY AND LIABILITIES</b>			
Non-distributable equity	38.9	38.9	38.8
Distributable equity	79.1	77.6	75.2
<b>Total shareholders' equity</b>	<b>118.0</b>	<b>116.5</b>	<b>114.0</b>
<u>Long-term liabilities</u>			
Liabilities to Group companies	7.9	7.9	7.9
<u>Current liabilities</u>			
Group currency account	36.1	37.8	24.2
Current non-interest-bearing liabilities	22.1	13.9	22.3
<b>Total equity and liabilities</b>	<b>184.1</b>	<b>176.1</b>	<b>168.4</b>



## EXPLANATORY INFORMATION

### Note 1. General information

Proact IT Group AB (publ) (company registration no. 556494-3446) has its head office in the municipality of Stockholm. Since July 1999, the Company has been listed on Nasdaq OMX Stockholm and the Small Cap list under the PACT symbol.

### Note 2. Accounting principles

The consolidated accounts for the 2009 accounting year, like the annual report for 2008, have been compiled in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU, and the Swedish Annual Accounts Act. The Parent Company's accounts have been compiled in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.2 Accounting for Legal Entities.

The present year-end report has been prepared in accordance with IAS 34, Interim reporting, and the Swedish Company Accounts Act. The term "IFRS" in this document includes the application of IAS and IFRS, as well as the interpretations of these standards as published by the IASB's Standards Interpretation Committee (SIC) and Internal Reporting Interpretations Committee (IFRIC).

The Group applies the same accounting principles as those described in the annual report for 2008, with the following exceptions due to new or revised standards, interpretations and improvements which have been endorsed by the EU and are to be applied as of 1 January 2009. Only the changes which have affected the company are described.

#### New or revised standard

IFRS 8 (Operating segments) came into force on 1 January 2009 and replaces. The new standard requires information on the Group's operating segments and replaces the need to determine primary and secondary segments within the Group. IFRS 8 requires the segment information to be presented from an executive perspective, which means that it is presented in the manner applied in internal reporting. Group operations are controlled and reported to the executive teams by geographical area; see also Note 6. Implementation has had no effect on the Group's financial position or results. Implementation of IFRS 8 has not given rise to any segments other than those reported as primary in accordance with IAS 14.

Furthermore, the revised IAS 1 (Presentation of Financial Statements) came into force on 1 January 2009. This standard divides up changes in equity as a consequence of transactions with owners and other changes. The list of changes in equity will include only details relating to owner transactions. Changes other than owner transactions, such as translation differences, in equity are presented on the line for profit for the period in the table. In addition, this standard introduces the term "Report on total profit or loss", which shows all items of income and expense either in a separate table or in two inter-linked tables. Proact has opted to present its report on total profit or loss in a separate table.

One aim of the new tables is to distinguish more clearly transactions with owners from other items previously reported in the equity calculation. The components included in "Other total profit or loss" may no longer be presented in changes in equity, but are included in "Total profit or loss for the period".



**Note 3. Revenues by sector**

	3 months Oct - Dec 2009	3 months Oct - Dec 2008	12 months Jan-Dec 2009	12 months Jan-Dec 2008
Public sector	85.4	63.0	262.3	179.7
Telecom	81.9	46.9	257.5	180.2
Retail and wholesale trade and services	76.6	77.8	220.3	221.7
Manufacturing industry	58.1	55.2	156.4	158.1
Oil, energy	38.0	56.2	166.7	146.8
Banking, finance	19.7	18.4	111.1	80.2
Media	12.0	4.1	31.8	38.6
Miscellaneous	13.5	17.9	46.6	38.9
<b>Total</b>	<b>385.2</b>	<b>339.5</b>	<b>1 252.7</b>	<b>1 044.2</b>

**Note 4. Value adjustments of fixed assets**

	3 months Oct - Dec 2009	3 months Oct - Dec 2008	12 months Jan-Dec 2009	12 months Jan-Dec 2008
Depreciation of intangible fixed assets	-1.4	-1.4	-5.3	-4.7
Depreciation of tangible fixed assets	-3.5	-2.3	-11.4	-8.1
<b>Total</b>	<b>-4.9</b>	<b>-3.7</b>	<b>-16.7</b>	<b>-12.8</b>

**Note 5 – Income tax**

The Group's tax cost includes total actual tax and deferred tax, calculated on the basis of applicable tax rates in the countries in question.

The positive earnings performance has meant that more or less all loss compensation within the Group has been activated over the fourth quarter. This means that the tax expense recognised over the financial year amounts to just SEK 7.7 (11.4) million. Taxes paid over the year amount to SEK 7.6 (2.8) million.

The company's total deductions for losses amount to SEK 126 million. It has been assessed that SEK 122 million of this can be made use of against future taxable profits and the tax effect has been recorded as a deferred tax claim. The unused deductible deficiency which has not been deemed highly likely to be made use of against taxable profits thereby amounts to SEK 4 million.

**Note 6. Operating segments**

On 1 January 2009, the Group implemented IFRS 8 (Operating segments) to replace IAS 14 Segment reporting. This standard requires the information to be presented from an executive perspective, which means that it is presented in the manner applied in internal reporting. Reportable segments are identified on the basis of internal reporting to the highest executive decision-maker. The Group has identified the Group executive team as the highest executive decision-maker, and operations are controlled and reported by geographical market. Compared with previously, the Group has no new reportable operating segments, and the segments are shown in tables below. These segments are consolidated in accordance with the same principles as the Group as a whole. Transactions between segments take place under market conditions.



<b>Jan-Dec 2009</b>	<b>Sweden</b>	<b>Norway</b>	<b>Finland</b>	<b>Denmark</b>	<b>Lithuania</b>	<b>Nether- lands</b>	<b>Latvia</b>	<b>Estonia</b>	<b>Elim.</b>	<b>Group</b>
<b>REVENUES</b>										
External sales	493.4	270.2	214.9	127.2	70.8	53.8	15.5	6.9		1 252.7
Internal sales	23.3	5.5	2.0	2.8	-	-	-	0.1	-33.7	0.0
<b>Total income</b>	<b>516.7</b>	<b>275.7</b>	<b>216.9</b>	<b>130.0</b>	<b>70.8</b>	<b>53.8</b>	<b>15.5</b>	<b>7.0</b>	<b>-33.7</b>	<b>1 252.7</b>
<b>RESULTS</b>										
<b>Operating profit</b>	<b>26.9</b>	<b>22.9</b>	<b>8.9</b>	<b>2.6</b>	<b>7.6</b>	<b>0.8</b>	<b>1.2</b>	<b>-2.6</b>	<b>-8.3</b>	<b>60.0</b>
<b>Financial income</b>										1.4
<b>Financial expenses</b>										-1.3
<b>Tax</b>										-7.7
<b>Profit for the period</b>										<b>52.4</b>

<b>Jan-Dec 2008</b>	<b>Sweden</b>	<b>Norway</b>	<b>Finland</b>	<b>Denmark</b>	<b>Lithuania</b>	<b>Nether- lands</b>	<b>Latvia</b>	<b>Estonia</b>	<b>Elim.</b>	<b>Group</b>
<b>REVENUES</b>										
External sales	421.8	250.6	190.4	96.7	43.0	18.7	20.2	2.8		1 044.2
Internal sales	9.7	3.8	0.4	0.2	-	-	-	-	-14.1	0.0
<b>Total income</b>	<b>431.5</b>	<b>254.4</b>	<b>190.8</b>	<b>96.9</b>	<b>43.0</b>	<b>18.7</b>	<b>20.2</b>	<b>2.8</b>	<b>-14.1</b>	<b>1 044.2</b>
<b>RESULTS</b>										
<b>Operating profit</b>	<b>25.4</b>	<b>14.0</b>	<b>7.4</b>	<b>1.9</b>	<b>4.9</b>	<b>-3.5</b>	<b>1.5</b>	<b>-0.8</b>	<b>-4.0</b>	<b>46.8</b>
<b>Financial income</b>										4.8
<b>Financial expenses</b>										-1.5
<b>Tax</b>										-11.4
<b>Profit for the period</b>										<b>38.7</b>

## Note 7. Acquisition of Orchestra Nordic

Proact's Danish subsidiary acquired the client base and existing support contracts from the Danish company Orchestra Nordic for a preliminary total of DKK 875 thousand as at 1 September 2009. The staff were also taken over as part of the acquisition.

## Note 8. Ten largest shareholders

<b>Stake in % according to Euroclear Sweden AB</b>	<b>31 Dec 2009</b>	<b>31 Dec 2008</b>
Skandia Liv	10.4	6.6
IGC Industrial Growth Co. AB	10.1	11.5
Skagen Fonder	8.1	8.6
Swedbank Robur Småbolagsfonder	7.1	1.7
Thyra Hedge	7.0	5.0
Öresund Investment AB	5.1	-
Didner & Gerge Småbolag	4.9	-
Nordea Fonder	3.5	2.5
Unionen	3.0	3.6
Marit Fagervold	2.2	2.1
Other *)	38.7	58.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

\*) Following buy-backs, the company owns 333 000 of its own shares, equivalent to 3.4 % of the total number of outstanding shares



**Note 9. Five-year review (12 months)**

	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2007	Jan-Dec 2006	Jan-Dec 2005
<b>Net sales, SEK millions</b>	1 252.7	1 044.2	864.8	756.5	689.2
Profit before tax, SEK millions	60.1	50.1	40.7	18.0	-10.1
<b>Profit or loss for the period, SEK millions</b>	52.4	38.7	31.9	24.2	-9.9
Operating margin (EBIT) % *)	4.8	4.5	4.7	2.5	-1.5
Net result margin, %	4.8	4.8	4.7	2.4	-1.5
Profit margin, %	4.2	3.7	3.7	3.2	-1.4
Equity ratio, %	24.1	24.8	30.6	33.3	36.7
Capital turnover rate, times	1.8	1.8	1.7	1.7	1.5
Return on equity, %	30.7	24.4	20.2	15.2	-6.1
Return on capital employed, %	35.4	32.4	26.6	11.6	-5.7
Capital expenditure on tangible fixed assets, SEK millions	22.5	11.5	9.2	7.5	7.0
Profit or loss before tax per employee, SEK thousands	191	168	155	75	-38
Average number of employees on annual basis	315	299	262	241	265
Earnings per share for the period, SEK **)	5.22	3.68	2.80	1.97	-0.91

\*) 2005 profit was affected by restructuring costs of SEK -11.4 million.

\*\*) Proact has not issued any share options or conversion rights which could give rise to dilution. The number of shares is calculated excluding bought-back shares.

**Note 10. Definitions**

Operating margin (EBIT) %	Operating profit or loss expressed as a percentage of net sales.
Net margin %	Profit or loss before tax expressed as a percentage of net sales.
Profit margin, %	Profit or loss after tax for the period expressed as a percentage of net sales.
Equity ratio, %	Equity including minority interests as a percentage of balance sheet total.
Capital turnover rate, times	Turnover expressed as a percentage of the average balance sheet total.
Return on equity, %	Profit or loss after tax, expressed as a percentage of average equity.
Return on capital employed	Income after net financial items plus financial expenses, expressed as a percentage of average capital employed.
Capital employed	Ratio of the balance sheet total minus non interest-bearing liabilities inclusive of deferred tax liabilities.
Profit/loss per employee	Profit/loss before tax divided by the average number of annual employees

**Proact IT Group AB [publ]**  
Box 1205  
Isafjordsgatan 35  
SE-164 28 KISTA

Tel: +46 8 410 666 00  
Fax: +46 8 410 668 80  
E-mail: [itgroup@proact.se](mailto:itgroup@proact.se)

Co. reg. no. 556494-3446  
Registered office: Stockholm  
[www.proact.se](http://www.proact.se)

